

Message Text

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PAGE 01 PORT M 01370 230833Z
ACTION EA-12

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R 230600Z AUG 78
FM AMEMBASSY PORT MORESBY
TO SECSTATE WASHDC 3603
INFO AMEMBASSY CANBERRA
AMCONSUL AUCKLAND
AMCONSUL BRISBANE
AMCONSUL PERTH
AMCONSUL SYDNEY
AMEMBASSY WELLINGTON
AMCONSUL MELBOURNE
USDOC WASHDC

UNCLAS PORT MORESBY 1370

E.O. 11652: N/A
TAGS: BEXP, AS, NZ, PP
SUBJECT: IMC FY 80 PROGRAM

REF: STATE 210898

1. PORT MORESBY WOULD LIKE TO BE CONSIDERED FOR POWER
GENERATION EQUIPMENT TECHNICAL SEMINAR NOW SCHEDULED FOR NEW
ZEALAND, AUSTRALIA IN NOVEMBER 1979.

2. IN THE PAST FEW MONTHS THE POST HAS REPORTED ON OVER
400 MILLION DOLLARS WORTH OF MAJOR HYDROELECTRIC SCHEMES PRO-
POSED FOR PAPUA NEW GUINEA IN THE NEXT THREE TO FIVE YEARS.
THESE PROJECTS ARE SUMMARIZED BELOW:
SEPIK/ILAM SCHEME: POSSIBLE HYDROELECTRIC SCHEME IN
WESTERN PNG DESIGNED TO PROVIDE POWER FOR PROPOSED COPPER
DEVELOPMENTS IN THE OK TEDI AND FRIEDA RIVER. GOVERNMENT
CURRENTLY CONSIDERING PUTTING OUT A TENDER TO INITIATE
A FEASIBILITY STSMY. THE COST OF THE FEASIBILITY
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STUDY IS IN THE VICINITY OF US\$2 TO 2 1/2 MILLION. IT
IS THOUGHT THIS PROJECT COULD EVENTUALLY COST US\$250
MILLION.

LALAU SCHME: INITIALLY INVOLVES PRE-FEASIBILITY AND
FEASIBILITY STUDIES FOR A CASCADE TYPE HYDROELECTRIC
SCHEME TO SUPPLY POWER TO THE BOUGAINVILLE COPPER MINE,
(OWNED BY CONZINC-RIO-TINTO), ON BOUGAINVILLE ISLAND.

IT WOULD REPLACE A DIESAL PLANT NOW IN USE. ESTIMATED COST OF FINAL PROJECT IS 80 MILLION DOLLARS. SNOWY MOUNTAIN HAS ALREADY DONE ONE PRE-FEASIBILITY STUDY OF THE PROJECT BUT THAT HAS BEEN REJECTED. GOVERNMENT EXPECTED TO ISSUE TENDER FOR SECOND PRE-FEASIBILITY STUDY SHORTLY.

ROUNA 4: REQUIRING ONE 16 MEGAWATT GENERATOR AND INCLUDES CONSTRUCTION UNDERGROUND MACHINE HALL AND SITE WORK. ESTIMATED COST US 35 MILLION DOLLARS. CONSTRUCTION WILL START JANUARY 1980. FINAL DESIGN ENGINEERS HAVE ALREADY BEEN ACCEPTED (NOR CONSULT FROM NORWAY).

WARANGOI: THIS PROJECT IS LOCATED IN NEW BRITAIN. IT WILL REQUIRE TWO 4 MEGAWATT GENERATORS AND INCLUDES CONSTRUCTION OF A 6 KILOMETER SOFT ROCK TUNNEL AND SURFACE POWER STATION. ESTIMATED COST US\$28 MILLION. CONSTRUCTION TO START MID 1979. THIS PROJECT WILL BE PARTIALLY FUNDED BY JAPANESE AID, BUT BIDDING WILL BE OPEN TO ALL OECD MEMBERS.

KAUGEL: THIS PROJECT IS LOCATED NEAR MOUNT HAGEN. IT WILL REQUIRE THREE 15 MEGAWATT GENERATORS AND CONSTRUCTION OF UNDERGROUND MACHINE HALL. COST IS APPROX. US\$42 MILLION. PROBABLY START MID 1980 WITH COMPLETION 1984.

ANGABUNGA PROJECT: ECONOMIC FEASIBILITY STUDY NEEDS TO BE CONDUCTED. THIS PROJECT IS TO SUPPLY PORT MORESBY WITH POWER AFTER COMPLETION OF ROUNA 4. POSSIBLE UNCLASSIFIED

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STARTING DATE 1981 OR 1982. WILL REQUIRE CONSTRUCTION OF DAM AND TUNNEL WITH POWER OUTPUT OF 80 MEGAWATTS. COSTS UNKNOWN.

RUN OF RIVER HYDROELECTRIC GENERATING PLANTS: THERE ARE NOW FIVE RUN-OF-RIVER HYDROELECTRIC GENERATING PLANTS SCHEMES IN VARIOUS STAGES OF CONSIDERATION. THEY WILL REQUIRE AT LEAST TEN SMALL GENERATORS RANGING FROM 100' KILOWATTS TO 2 MEGAWATTS. SOME OF THESE PROJECTS WILL START PRIOR TO THE NOVEMBER 1979 TECHNICAL SEMINAR BUT OTHERS WILL PROBABLY BE DELAYED UNTIL LATER.

3. IN ADDITION TO THESE PROJECTS THE COUNTRY IS CONTINUALLY ADDING NEW DIESEL GENERATORS THROUGHOUT THE COUNTRY. ALSO GPNG OFFICIALS ARE VERY INTERESTED IN U.S. TECHNOLOGY AND THE EMBASSY IS EXPECTING A REQUEST FROM GPNG FOR THE U.S. GOVERNMENT TO RECRUIT 60 ENGINEERS FOR THE ELECTRICITY COMMISSION THROUGH OUR REIMBURSABLE SERVICES PROGRAM.

4. EMBASSY BELIEVES PNG IS A GOOD MARKET FOR U.S. POWER GENERATION EQUIPMENT AND THEREFORE ASKS TO BE INCLUDED

IN THE TRADE MISSION IN NOVEMBER 1979.

NOTE TO CANBERRA: YOU MAY WISH TO DISTRIBUTE THESE
MAJOR PROJECT SUMMARIES TO THE AMCHAM MAJOR PROJECTS
COMMITTEE. WE WILL KEEP YOU INFORMED AS MORE INFORMATION
BECOMES AVAILABLE.

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